

Message Text

CONFIDENTIAL

PAGE 01 MANILA 04534 181057Z

11

ACTION EA-13

INFO OCT-01 SS-14 ISO-00 PM-03 L-02 H-01 SP-01 EB-03

COME-00 OMB-01 TRSE-00 CIEP-01 STR-01 AGR-03 ACDA-10

NSC-07 NSCE-00 CIAE-00 INR-10 NSAE-00 RSC-01 AID-10

DODE-00 DRC-01 SSO-00 INRE-00 /083 W

----- 105097

O R 180937Z APR 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 2807

INFO CINCPAC

C O N F I D E N T I A L MANILA 4534

LIMDIS

FOR AMBASSADOR SULLIVAN FROM PURNELL

E.O. 11652: GDS

TAGS: EGEN, USRP, ETRD

SUBJECT: US-RP ECONOMIC NEGOTIATIONS

REF: (A) MANILA 4202; (B) MANILA 4200

SUMMARY. FOLLOWING IS RESULT FRIST REALLY SUBSTANTIVE
ECONOMIC DISCUSSION WITH GOP SINCE YOUR DEPARTURE.
ARNOLD MET TODAY WITH PATERNO MAINLY TO REVIEW THE BID-
DING ON LAND ISSUES AND REITERATE UNDERSTANDING REACHED
BY YOU AND PRESIDENT ON YACHT. PATERNO INDICATED AGREE-
MENT ON UNDERSTANDING AS OUTLINED BELOW AND SAID THAT
STRONG PROBABILITY EXISTED PRESIDENT WOULD WISH TO DIS-
CUSS LAND ISSUE ON BOARD YACHT TOMORROW DURING TRIP
CORREIGIDOR IN HONOR SECRETARY SHULTZ. I INTEND TAKE
ARNOLD, BUTLER, ANGEVINE WITH ME TOMORROW IN EVENT SUCH DISCUSSION
OCCURS AS IT WELL MIGHT WITH ALL KEY ECONOMIC CABINET MEMBERS
NOW SCHEDULED BE ON BOARD. APPRECIATE ANY THOUGHTS OR SUG-
GESTIONS YOU MAY WISH CONVEY IN MEANTIME. END SUMMARY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 04534 181057Z

1. ARNOLD MET WITH PATERNO AFTERNOON APRIL 18 TO OBTAIN READING ON GOP REACTIONS OUR DRAFT PROPOSAL ON LAND AND TO PRESS FOR EARLY RESPONSE ON PART GOP. PATERNO INDICATED THAT DRAFT GIVEN TO HIM IN MINDORO (REF A) HAD BEEN PASSED TO THE PRESIDENT ON TUESDAY APRIL 16 BUT THAT CABINET DISCUSSION OF THE DRAFT WITH THE PRESIDENT HAD NOT YET OCCURRED SINCE PRESIDENT HAD BEEN OUT OF TOWN MORE OR LESS CONTINUALLY. PATERNO HOPED MATTER COULD BE REVIEWED WITH THE CABINET ON BOARD YACHT TOMORROW AND THEN DISCUSSED WITH US.

2. FOLLOWING BASIC LINE TAKEN IN MINDORO, ARNOLD REVIEWED PROBLEMS WE HAVE WITH PHILIPPINE DRAFT ON LAND (REF B) AND POINTED TO THREE ELEMENTS US DRAFT WHICH HE FELT EMBODIED UNDERSTANDING REACHED WITH PRESIDENT. THESE POINTS, QUOTING FROM OUR DRAFT, BEGINNING PARAGRAPH FIVE, AS FOLLOWS:

A. QUOTE IN VIEW OF COMPLEXITY OF THIS ISSUE IT WILL BE THE POLICY OF THE GOVERNMENT OF THE PHILIPPINES TO TAKE NO ACTION AFFECTING SUCH TITLES AND INTERESTS WHICH WOULD ALTER THE CURRENT SITUATION PENDING THE CONCLUSION OF NEGOTIATION ON THIS SPECIFIC ISSUE UNQUOTE

B. QUOTE BOTH GOVERNMENTS UNDERTAKE TO COMPLETE THESE NEGOTIATIONS IN NO MORE THAN TWELVE MONTHS FROM TODAY'S DATE. UNQUOTE

C. QUOTE THIS DEFERRAL OF ACTION HAS NO RELATION TO AND IS IN NO WAY AFFECTED BY THE CONTINUATION OF THE DISCUSSIONS NOW GOING ON BETWEEN THE PHILIPPINE GOVERNMENT AND THE UNITED STATES GOVERNMENT WITH RESPECT TO THEIR FUTURE ECONOMIC RELATION. END QUOTE
PATERNO READ THESE THREE POINTS CAREFULLY AND SAID THAT IN HIS JUDGMENT THEY REFLECTED THE UNDERSTANDING EXPLAINED BY THE PRESIDENT IN HIS QUOTE PLENARY UNQUOTE SESSION ON THE YACHT WITH ONE EXCEPTION: POINT B WOULD HAVE TO BE BLANK AS TO THE SPECIFIC AMOUNT OF TIME INVOLVED BECAUSE THIS IS YET TO BE AGREED UPON.

3. AS STRESSED IN OTHER CONVERSATIONS WITH MELCHOR AND VIRATA,
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 04534 181057Z

ARNOLD ALSO STRESSED WITH PATERNO THAT IT WOULD BE VERY IMPORTANT TO THE PURPOSES OF YOUR CONSULTATIONS WASHINGTON IF WE WERE ABLE TO PROVIDE AGREEMENT IN PRINCIPLE ON THIS UNDERSTANDING AS SOON AS POSSIBLE. PATERNO ACCEPTED THAT POINT MORE READILY THAN EITHER VIRATA OR MELCHOR AND URGED THAT WE BE PREPARED TO DISCUSS THE MATTER WITH THE PRESIDENT ON THE YACHT TOMORROW.

4. I WOULD INTEND IN THAT DISCUSSION, IF IT COMES ABOUT, TO STICK CLOSELY TO ACHIEVING IN THE PRESENCE OF KEY MEMBERS OF THE CABINET A REITERATION OF THE EARLIER UNDERSTANDING REACHED WITH YOU AND HOPEFULLY AGREEMENT TO THE APPROACH TAKEN IN OUR DRAFT.

5. AS A MATTER OF INFORMATION YOU SHOULD KNOW THAT AS WE SUSPECTED THERE IS CONTINUING DISCUSSION IN THE CABINET ON OUR PROPOSAL REGARDING THE ANTI-DUMMY LAW, AND PATERNO INDICATED THAT THERE WOULD BE FURTHER LANGUAGE PROVIDED ON THE ISSUE OF THE STRUCTURE OF EXECUTIVE COMMITTEES. IN VIEW OF THE REPORTED SENSITIVITIES OF ABAD SANTOS YOU WILL NOT BE SURPRISED AS I AM SURE AND YOU WILL BE AMUSED TO LEARN THAT PATERNO CONCLUDED IT WOULD BE POLITIC TO GIVE BACK TO US THE WHEREASES OF THE PRESIDENTIAL DECREE PROPOSAL ON FORESHORE LEASES. HE KEPT THE MAIN SUBSTANCE AND WILL PRESENT THAT FOR DISCUSSION WITH THE CABINET.

6. AS A SECOND POINT WE HOPE TO STRESS FURTHER WITH THE CABINET, IF NOT WITH THE PRESIDENT, THE NEED TO PROCEED PROMPTLY WITH THE DECREE PROPOSALS IN A WAY THAT EFFECTIVELY WILL SEPARATE THEM FROM BILATERAL NEGOTIATIONS.

PURNELL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAND, TRADE, ECONOMIC PROGRAMS, NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 APR 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA04534
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740090-0135
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740433/aaaabdjkl.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: (A) MANILA 4202; (B) MANILA 4200
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2002 by worrelsw>; APPROVED <14 FEB 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US-RP ECONOMIC NEGOTIATIONS
TAGS: EGEN, ETRD, US, RP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005